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NEW NUMBER

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LAW OFFICES

ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D.C.

20006-2973

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

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CHARLES T. KAPPLER
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MILTON C. GRACE*
JAMES C. MARTIN, JR.*

*NOT A MEMBER OF D.C. BAR
*ALSO ADMITTED IN NEW YORK
*ALSO ADMITTED IN OHIO
*ALSO ADMITTED IN MARYLAND

OF COUNSEL
JESS LARSON
JOHN L. INGOLDSBY
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CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

RECORDATION NO. 1 5405
FEB 1988

DEC 8 1987 12 24 PM

RECORDATION NO. 1 5405-A
FEB 1988
TELEX 440367 A AND A

INTERSTATE COMMERCE COMMISSION

December 8, 1987

DEC 8 1987 12 15 PM
INTERSTATE COMMERCE COMMISSION
No. 7-342A063
Date DEC 8 1987
FEE \$ 20.00
REGISTRATION UNIT
FEB 1988
ICC OFFICE OF
THE SECRETARY
FEB 1988

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303(a) are three (3) fully executed counterparts each of a Security Agreement dated as of June 1, 1987, a primary document, and an Assignment of Security Interest dated as of December 4, 1987, a secondary document relating to the foregoing primary document.

The names and addresses of the parties to the enclosed documents are:

Debtor: James-Furman & Company
One Centerpointe Drive
Lake Oswego, Oregon 97035

Secured Party/
Assignor: Greenbrier Leasing Corporation
One Centerpinte Drive, Suite 200
Lake Oswego, Oregon 97035

Assignee: The Bank of California, N.A.
P.O. Box 3121
Portland, Oregon 97208

A description of the railroad equipment covered by the enclosed documents is set forth in Schedule 1 attached hereto and made a part hereof.

Counterpart - C.T. Kappeler

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
December 8, 1987
Page Two

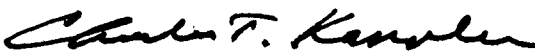
Also enclosed is a check in the amount of \$20 payable to the order of the Interstate Commerce Commission covering the required recordation fees.

Kindly return two stamped copies of the enclosed documents to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed primary and secondary documents to appear in the Commission's Index is:

Security Agreement dated as of June 1, 1987 between James-Furman & Company, Debtor, and Greenbrier Leasing Corporation, Secured Party; and Assignment of Security Interest dated as of December 4, 1987 between Greenbrier Leasing Corporation, Assignor, and The Bank of California, Assignee, covering thirty-five (35) refurbished boxcars marked and numbered WCRC 8600 through WCRC 8634.

Very truly yours,


Charles T. Kappler

Enclosures

RECORDATION NO. 1 5405

SECURITY AGREEMENT

DEC 8 1987 - 12 22 PM

THIS SECURITY AGREEMENT (the "Security Agreement") dated as June 1, 1987, is entered into between JAMES-FURMAN & COMPANY, an Oregon general partnership having its principal place of business at One Centerpointe Drive, Suite 200, Lake Oswego, Oregon 97035 (hereinafter called the "Debtor"), and Greenbrier Leasing Corporation, a Delaware corporation, having its principal place of business at One Centerpointe Drive, Suite 200, Lake Oswego, Oregon 97035 (hereinafter called the "Secured Party").

WITNESSETH:

Secured Party and Debtor have entered into a Purchase Agreement of even date (the "Purchase Agreement") providing for the sale by Secured Party, to Debtor of thirty-five (35) 86-foot refurbished boxcars described therein. Secured Party and Debtor propose that the Collateral (as herein defined) be used as a security for the prompt and faithful payment by Debtor of the Secured Promissory Note (the "Note") described in the Purchase Agreement, to wit:

1. Grant of Security Interest. In consideration of the execution of the Purchase Agreement by Secured Party and other good and valuable consideration, receipt of which is hereby acknowledged, Debtor hereby assigns to Secured Party, its successors and assigns, the collateral described in Section 2 below and grants to Secured Party, its successors and assigns, a security interest in the collateral described in Section 2 below (such collateral herein referred to as the "Collateral").

2. Collateral. The collateral of this Security Agreement is:

Thirty-five (35) 86-foot refurbished boxcars bearing railroad markings WCRC 8600 - WCRC 8634, inclusive.

3. Covenants and Warranties of Debtor. Debtor covenants, warrants and agrees as follows:

3.1 Action With Respect to Collateral. Debtor shall not take any material action with respect to its right, title and interest in and to the Collateral without the prior written consent of the Secured Party, which shall not be unreasonably withheld.

3.2 Condition of Collateral. Debtor shall cause the Collateral to be kept free and clear of liens and other security

interests and in good repair and in operating condition without any cost or liability to Secured Party.

3.3 Accessions. All accessions which are or will become attached to or part of the Collateral are and shall become subject to the terms of this Security Agreement.

3.4 Sale, Etc. of Collateral. Debtor shall not sell, assign, transfer, mortgage or in any way encumber the Collateral, nor secrete or abandon the Collateral without the prior written consent of the Secured Party.

3.5 Insurance. Debtor shall keep or cause the Collateral to be insured against public liability, casualty and loss from fire, theft or other cause, by insurers in form, amount and coverage customary for such Collateral, and any such policy or policies of insurance shall contain an endorsement naming Secured Party as additional insured and additional loss payees and shall provide that such insurance may not be canceled or amended except on 30 days' prior written notification to Secured Party and further providing that Secured Party shall not be liable for payment by way of a setoff for premiums for any breach of any representations or warranties of Debtor in connection with obtaining any such insurance.

3.6 Payment of Taxes. Debtor shall pay all charges, including without limitation, taxes and assessments, levied or assessed against Debtor which if unpaid would constitute an attachment on the Collateral or any portion thereof.

4. Defaults and Related Provisions.

4.1 Event of Default. Any of the following events or conditions shall constitute an Event of Default hereunder:

(a) Debtor shall fail to pay, when due, the Note; or

(b) Default in the due observance or performance by Debtor of any covenant, condition or agreement to be observed or performed by Debtor under this Security Agreement and such default shall continue for 30 days after written notice thereof from Secured Party to Debtor; or

(c) Any representation or warranty made by Debtor herein, or in any report, shall prove to be false or misleading in any material respect as of the date of issuance of making thereof.

4.2 Secured Party's Rights. Debtor agrees that when an Event of Default has occurred and is continuing, Secured Party

shall have the rights, options, duties and remedies of a secured party and Debtor shall have the rights and duties of a debtor under the Uniform Commercial Code in effect in each jurisdiction where the Collateral or any part thereof is located.

4.3 Application of Proceeds. If an Event of Default shall occur and be continuing and the Secured Party shall exercise any of the powers conferred upon it by Sections 4.1 and 4.2 hereof, all payments made by Debtor to Secured Party hereunder after such Event of Default, and the proceeds of any judgment collected hereunder from the Debtor by the Secured Party, and the proceeds of every sale by the Secured Party of any of the Collateral, together with any other sums which may then be held by the Secured Party under any of the provisions hereof, shall be applied by the Secured Party to the payment in the following order of priority:

(a) First, to the payment of the costs or expenses of foreclosure or suit, if any, and of such sale, and of all costs, expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder, or in connection herewith or with the Note, by Secured Party, and to the payment of all taxes, assessments, liens or security interests superior to the lien of these presents, except any taxes, assessments or other superior liens or security interests subject to which said sale may have been made;

(b) Second, to the payment or discharge of any unpaid obligations of the Debtor to the Secured Party.

(c) Third, to the payment of the balance remaining, if any, to Debtor.

4.4 Exercise of Rights. No delay or omission of Secured Party, or its assignee, to exercise any right or power arising from any default shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by Secured Party or its assignee of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided therein. The giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the Secured Obligations shall not operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, and neither Secured Party nor its assignee shall be required to look first to enforce or exhaust such other additional security collateral or guaranties. All rights, remedies and options of Secured Party hereunder or by law shall be cumulative.

5. Power of Attorney. The Debtor hereby irrevocably constitutes and appoints Secured Party and any officer thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Debtor or in its own name, for the purpose of carrying out the terms of this Security Agreement to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement. The powers conferred upon the Secured Party hereunder are solely to protect the Secured Party's interest in the Collateral and shall not impose any duty upon it to exercise such powers.

6. Secured Party or its assignee may, from time to time, assign (whether as security or otherwise) all or any part of their respective right, title or interest in the Collateral. In the event of such assignment, Debtor shall remain liable for the performance of all its obligations under the Note, Purchase Agreement or this Security Agreement. Debtor's obligation to pay, under the Note, to Secured Party's assignee or any subsequent assignee, upon prior written notice to Debtor of such assignment, shall be absolute and unconditional and shall not be subject to any defence or setoff. So long as the Note, or any portion thereof, remains outstanding, Debtor's rights hereunder shall be subject and subordinate to the rights of any secured party under any financing agreement entered into by Secured Party in connection with the acquisition or financing of some or all of the Collateral. Debtor agrees to acknowledge, upon receipt, any security assignment of the Collateral by Secured Party under any financing agreement entered into by Secured Party in connection with the Collateral.

7. Miscellaneous.

7.1 Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such parties, and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of Debtor or Secured Party shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

7.2 Partial Invalidity. The unenforceability or invalidity of any provision(s) of this Security Agreement shall not render any other provision(s) herein contained unenforceable or invalid.


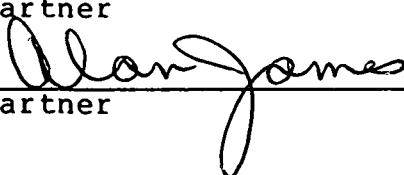
7.3 Attorney's Fees. Upon a default hereunder or under the Note, Secured Party's reasonable attorney's fees and the

legal and other expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising and selling the Collateral shall be chargeable to the Debtor and payable out of the proceeds of the sale or other disposition of the Collateral.

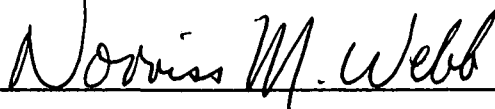
7.4 Counterpart; Governing Law. This Security Agreement may be executed, acknowledged, and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement. This Security Agreement and the Note shall be construed in accordance with and governed by the laws of the State of Oregon.

IN WITNESS WHEREOF, Debtor and Secured Party have caused this Security Agreement to be executed by their officers thereunto duly authorized as of the day and year first above written.

DEBTOR:
JAMES-FURMAN & COMPANY

By X 
Partner
By X 
Partner

SECURED PARTY:
GREENBRIER LEASING CORPORATION

By 
Its Vice President

N112372.1

STATE OF OREGON)
)SS
COUNTY OF CLACKAMAS)

On this 1st day of June, 1987, before me personally appeared Norriss M. Webb, to me personally known, who being by me duly sworn, says that he is the Vice President of GREENBRIER LEASING CORPORATION, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the said instrument was his free act and deed.


NOTARY PUBLIC

[NOTARIAL SEAL]

My commission expires: 5/28/90

STATE OF OREGON)
)SS
COUNTY OF CLACKAMAS)

On this 1st day of June, 1987, before me personally appeared William A. Furman and Alan James to me personally known, who being by me duly sworn, says that they are partners of JAMES-FURMAN & COMPANY that the foregoing instrument was signed on behalf of said partnership, and they acknowledged that the execution of said instrument was their free act and deed.


NOTARY PUBLIC

[NOTARIAL SEAL]

My commission expires: 5/28/90

N112372.1